

The background features a complex network of blue lines and arrows. Solid lines intersect at various angles, while dashed lines form loops and paths. Small circles, some solid and some hollow, are placed at various points along these lines, suggesting a network or a process flow.

THE ATHENEX STORY

From University at Buffalo Startup to Worldwide,
Publicly Traded Pharmaceutical Company



University at Buffalo

Business and Entrepreneur
Partnerships

Research and Economic Development

PRESENTERS

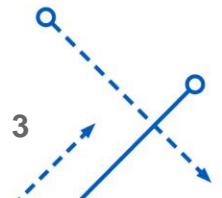
Norma Nowak, *Executive Director, New York State Center of Excellence in Bioinformatics & Life Sciences*

Jeff Dunbar, *Director, Technology Transfer, Business & Entrepreneur Partnerships, University at Buffalo*



Agenda

- Short Story – To provide context for the Audience
- Long Story
 - UB Technology
 - Origins of Kinex Pharmaceuticals
 - UB Support
 - Transformation to global company: Athenex
- Lessons Learned





(fka Kinex)

Summary

1998-2001 Tech disclosure/patents filed

2004 License executed

2006 1st UB US issued patent

UB: Labs, Clean Room, UB CAT \$

Raised \$200 million (US, Asia)

Acquired new technology platforms

2016 NYS \$225 million Dunkirk plant

2017 \$66 million NASDAQ IPO

2019 \$100 million private placement

Employs 546 people worldwide



Platform Programs

Src Kinase Inhibition – Phase III

Orasccovery

- Oraxol – Phase III
- Oratecan – Phase I
- Oradoxel – Phase I
- Oratopo – Phase I

TCR-T Immunotherapy

Others

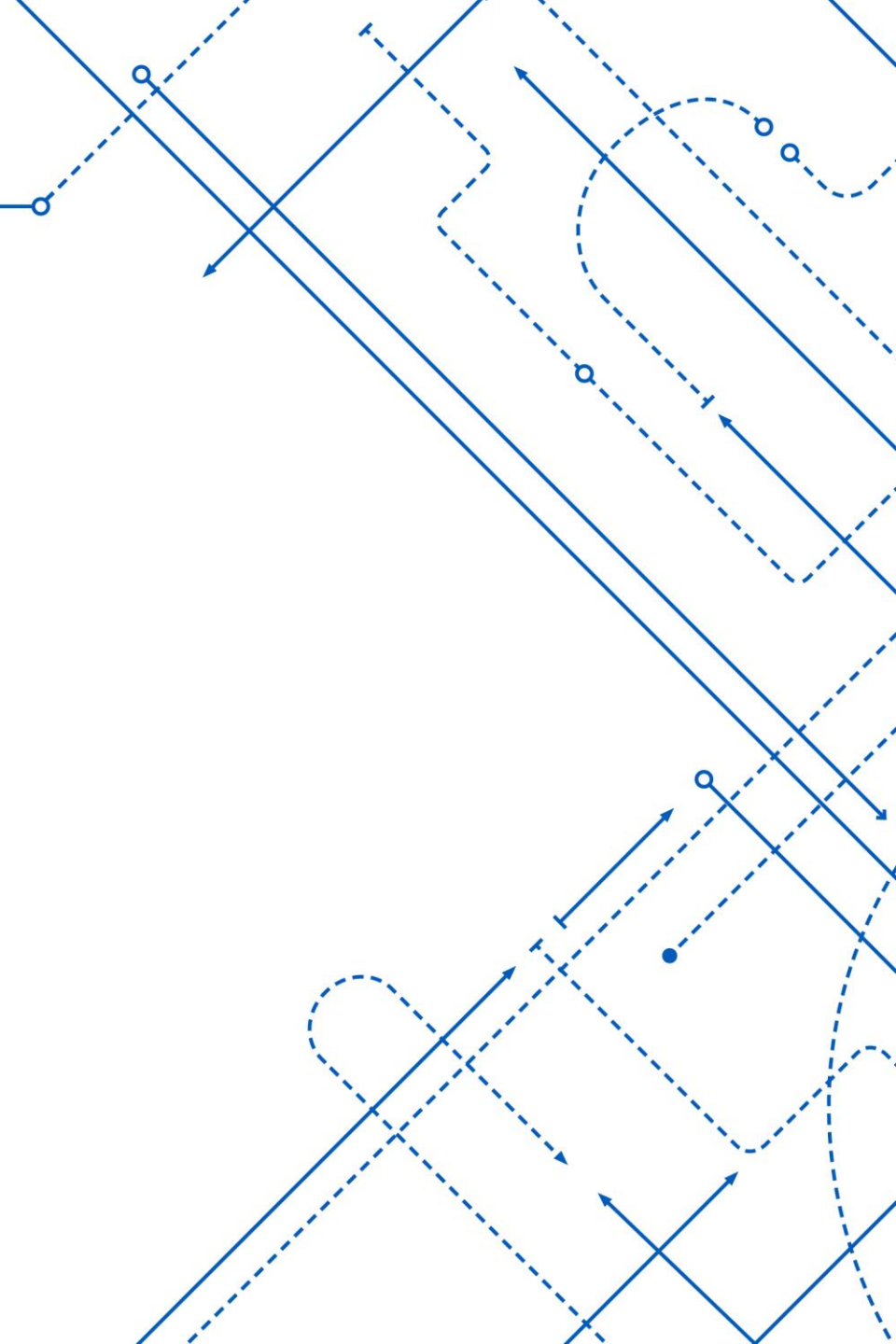


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LONG STORY



UB Technology

Protein Kinase and Phosphatase Inhibitors and Methods for Designing Them

- US 7,070,936 and 7,005,445
- Method for identifying an inhibitor - Mimetica™
- Non-ATP competitive compounds - safer
- Limited library and breadth of composition of matter
- Good safety profile but not potent enough

Leveraged as a platform for drug discovery

- To raise money
- To develop a novel compounds



Upstate Alliance for Innovation – Launched in 2000



Beaver Hollow Conference Center
UAI Retreat, May 2003

\$600,000 NSF Partnership for Innovation Award

Goal: Foster and innovation ecosystem

Partners:

- University at Buffalo
- RIT
- University of Rochester
- Mayors offices of Buffalo and Rochester
- High Tech Rochester
- Insyte Consulting (fka WNY TDC)

Innovators Nominated (select group)

- Dr. David Hangauer among them
- Catalyzed formation of Kinex
Pharmaceuticals

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UB SUPPORT

**CENTER FOR ADVANCED
TECHNOLOGY IN BIG DATA
AND HEALTH SCIENCES**

The Athenex Story

Athenex

**Entrepreneurial
spirit and UB
support drives
global growth.**



**This kind of
collaboration made it
possible to get other
investors interested
and motivated.”**

FOUNDED: 2003 | Buffalo, NY

INDUSTRY / BUSINESS

Pharmaceuticals

ABOUT THE COMPANY

Athenex is a global biopharmaceutical company dedicated to the discovery, development and commercialization of novel therapies for the treatment of cancer.

WNY EMPLOYEES

132 employees

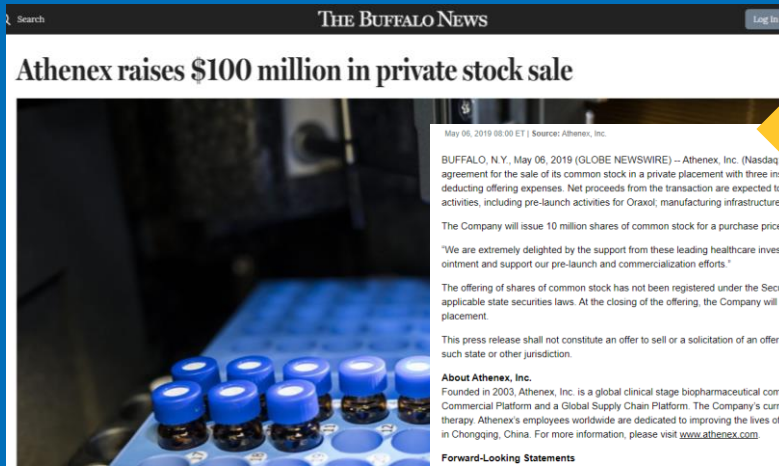
www.athenex.com

David G. Hangauer, PhD,
Founder, Athenex



Athenex

How UB built a winning partnership



MAY 2019



Startup Began at UB Lab



Multiple Disclosures to Tech Transfer



UB Licensed Technology to Kinex



Started Company at Center for Bioinformatics and Life Sciences Facility (CBLS)



UB Center for Advanced Technology Award Recipient



Went Public IPO June 2017



Raised \$100m in Private Stock Sale



Expands Clinical Operations June 2019

JUNE 2019

June 28, 2019

Athenex Announces Strategic Global Initiatives to Expand Clinical Operations

BUFFALO, N.Y., June 28, 2019 (GLOBE NEWSWIRE) – Athenex, Inc. (Nasdaq: ATNX), a global biopharmaceutical company dedicated to the discovery, development and commercialization of novel therapies for the treatment of cancer, today announced that the Company has strategically expanded its presence in Europe and Latin America to grow its global clinical research and development capacity. The Company believes these initiatives have the potential to enhance Athenex’s capacity to conduct global clinical studies and support its regional marketing decision process. They are part of the Company’s strategy to build on its current strong presence in U.S. and Asia, and help maximize the global potential of its pipeline.

Athenex’s oncology-focused pipeline currently has nine clinical candidates, including two drug candidates in Phase III development. In line with the Company’s goal to expand its capability and bandwidth to optimize global development and commercialization of its pipeline products, Athenex has been evaluating operational opportunities in Europe and Latin America.

Everyday victories add up to a winning partnership

Center for Advanced Technology in Big Data and Health Sciences (UB CAT)

Projects and partnerships



Athenex



2007-08
Clinical Trials
SRC Inhibitor
(Brain Cancer)



2008-09
Pre-Clinical
Testing JAK3
Inhibitor
(Inflammatory/
Autoimmune
Disease)



2008-09
Pre-Clinical
Testing Kinase
Inhibitor (Brain
Cancer)



2009-10
Pre-Clinical
Development of
KXS2-361
(Glioblastoma)



2010-11
Toxicity Studies
of KXS2-361
(Glioblastoma)



2011-12
Development
of KX01
Combination
Therapy
(Oncology)



2012-13
Development
of Novel Small
Molecule



2014-15
Manufacturing
of KX2-361
Capsules



2015-16
Development
& Manufacture
of Proprietary
Drug

UB CAT Projects

Center of Excellence in Bioinformatics and Life Sciences



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TRANSFORMATION

Transformation to global company: Athenex

First Key Out-Licensing Event KX01 Licensed to Hanmi Pharmaceuticals



Picture from licensing ceremony, Seoul, South Korea
April, 2011

Athenex

Athenex Expands Footprint In New York State & North America: Government Support, Acquisitions & Expansions



QuaDPharma, LLC
Buffalo, NY
Acquired **2014**



Conventus Building from NYS-**2015**
Athenex Headquarters
Buffalo Niagara Medical Campus



Also Offices in:
Cranford, New Jersey; Clinical Affairs
Chicago, Illinois; Athenex Specialty Products
Houston, Texas; Polymed Sales

66,000 sq ft – laboratory/office
320,000 sq ft factory



From NYS
Dunkirk, NY
Under construction-**2019**

The Athenex logo, which features the word "Athenex" in a stylized, serif font with a red underline that curves under the letters.

Athenex Expands Footprint Into Asia: Government Support & Acquisitions



Athenex Hong Kong Subsidiaries:
Kinex Pharmaceuticals HK Limited-2013
& Comprehensive Drug Enterprises acquisition-2015,
(Picture 2015)

Also Office in Taipei, Taiwan; Asia Clinical Affairs



POLY MED

Polymed/Taihao acquisition-2015
Chongqing, China

Chongqing, China



500,000 sq ft
- API/factory/office



Banan District in Chongqing, China-2015
Constructing two pharmaceutical
manufacturing plants

Athenex



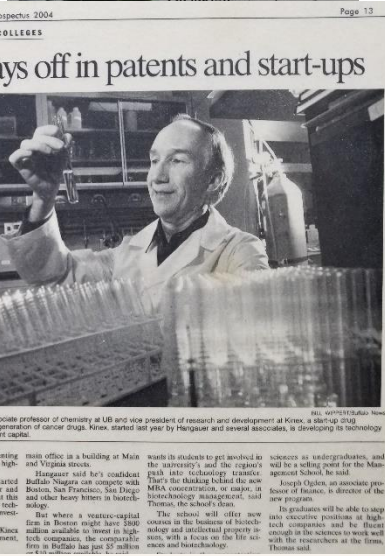
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ATHENEX TODAY

Athenex/Kinex Becomes a Flagship Spinout Company from the University at Buffalo---Shows It Can Be Done!



Venture Capitalists call startup companies that reach a valuation of \$1 billion or more "Unicorns"

Athenex currently has a valuation of at least \$1 billion on Nasdaq. A Buffalo "Unicorn" has been born from a UB Professor's lab.

Examples of local newspaper coverage of Athenex/Kinex



ATHENEX'S FOCUS..

Athenex is a publicly-traded (NASDAQ symbol **ATNX**), growing, global pharmaceutical company that develops and delivers products in four disciplines:

503B

- Producing **compounded** sterile preparations in accordance with FDA's 503B cGMP requirements to ensure product quality (FDA Title 21 CFR parts 210 and 211)

SPECIALTY

- Providing FDA-approved, finished-dose specialty **generic injectable products.**




API

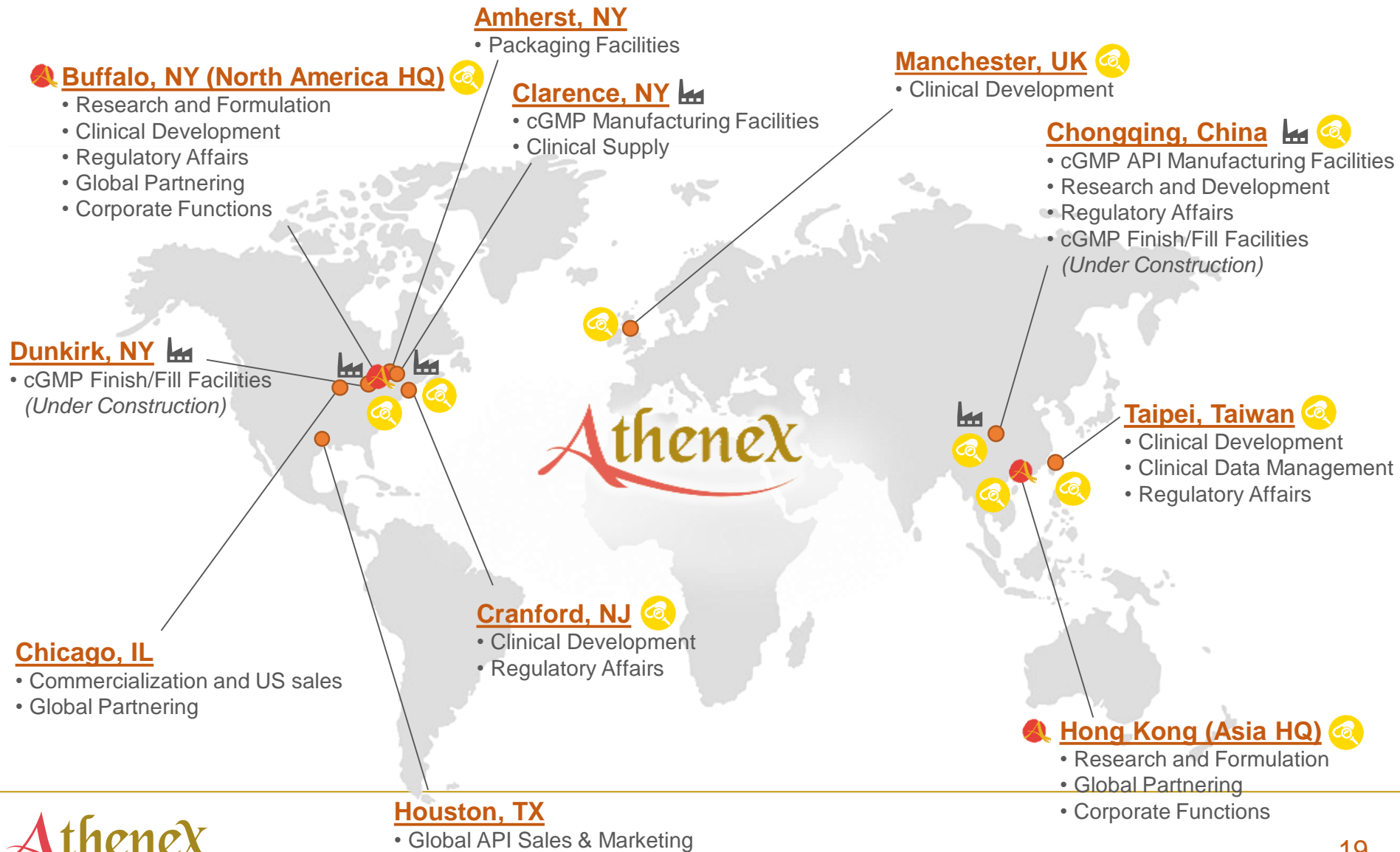
- Manufacturing **Active Pharmaceutical Ingredients** for creating high quality pharmaceutical products and reducing the volatility in the supply chain.

NOVEL
ONCOLYTICS

- Improving the lives of cancer patients through innovative **oncology medications** and methods of action.

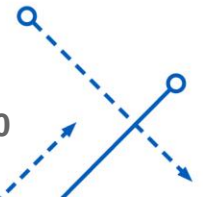
Athenex's Global Operations

-  Regional Headquarters
-  Manufacturing Facilities
-  Research / Clinical Development



Athenex Impact

- \$868 million market capitalization
 - has exceeded \$1 billion (Unicorn status)
- 546 employees worldwide
- 175 employees in Western New York
- 30 UB graduates employed





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LESSONS LEARNED

Industry Experience

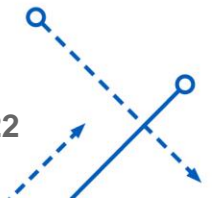
Question:

For faculty who don't have industry experience, would you advise them to seek out industry research collaborations, advisory positions, etc., to develop their business acumen before launching a startup?

Answer:

"Yes, experience is the best teacher. This is something best to learn by doing it. Many/most faculty are uninformed about how to share equity for success, how VCs really operate, how to raise capital, and how to build a successful company from the ground up."

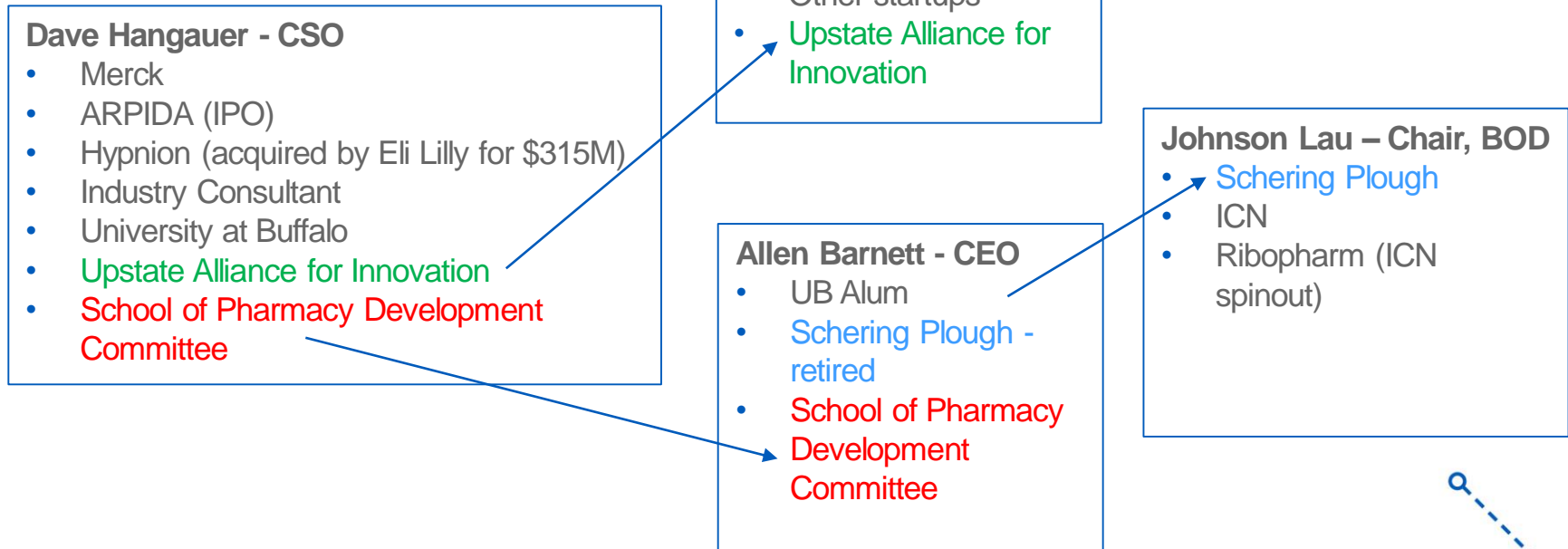
- Dave Hangauer



Connections to Successful People

Buffalo alum and venture capitalist:

Key Finding: A critical success indicator in successful ventures is the relative success of the people connected to the entrepreneur.



The way forward for upstate businesses

Rochester Beacon – by Jennifer Sertl and Nasir Ali – July 24, 2019

Shared success ‘themes’ based on interviews with founders of 12 startups.

Athenex	Synacor	Kionix
Vicarious Visions	ACV Auctions	Rheonix
Velan Ventures	SpinCar	Ephesus
CVC	Clerio Vision	iCardiac



Distant Customers

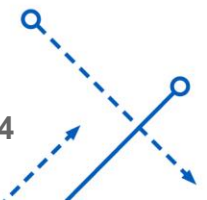
- Customers spread across the world or concentrated in distant places

Global vs Local

- Founders deeply rooted in local community but global view

Focus on Excellence

- Be better than competitors
- Relentless learning velocity
- Made location a non-issue for employees



Athenex Inc./Kinex Pharmaceuticals:

Formation and Development Timeline from University at Buffalo (UB)

It takes time...
be persistent!



Employees 2009
UB COE

Kinex/Athenex Founders (2003)



ATNX stock price:
IPO open about \$11/share
Current range \$15-21/share
(as of 8/2019)



From decision to spin out company to IPO was 15 years and a lot of hard work!



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THANK YOU